



State of Washington
Department of Revenue

Excise Tax Advisory

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EMPLOYEE REIMBURSED GASOLINE COSTS

Issued July 24, 1970

Is the reimbursement of gasoline costs for personal use driving by employees and paid for by company credit cards deductible as advances and reimbursements?

The department's auditor had classified these reimbursed amounts as automobile "rental" income to the company whose employees were allowed to use company cars for personal use. However, it is clear that the employees were required to provide their own gasoline for personal mileage traveled in company cars.

The department ruled that such reimbursements are deductible as advances and reimbursements as provided under Rule 111. Since the gasoline purchases and/or expenses were incurred by employees and payment was made through the use of company credit cards, such purchases were not properly included in the company's gross proceeds of sales.

ETBS have been made Excise Tax Advisories, and have retained their old number. Advisories with a 2 (plus three digits) are new advisories, ETBs that have been revised and readopted after review under the Department's regulatory improvement program, or advisories that have been revised and/or readopted.

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